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~~217~~-011435-003

Amendment No. 3  
to

APL/TMM SPACE CHARTER AGREEMENT

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This Amendment of the APL/TMM Space Charter Agreement dated November 9, 1993 between American President Lines, Ltd. and Transportacion Maritima Mexicana, S.A. de C.V. (FMC Agreement No. 217-011435) is entered into as of the 26-th day of June, 1997 by the same parties, each in its same capacity.

WHEREAS, the parties entered into Amendment No. 1 as of April 26, 1994 providing for certain changes in the scope of the Agreement and for certain undertakings with respect to the reciprocal purchase of stock and changes in control; and

WHEREAS, the parties entered into Amendment No. 2 as of May 12, 1996 providing for an extension of the term of the Agreement; and

WHEREAS, the parties wish to further amend the Agreement to provide for the joint chartering of the vessels under the Agreement, for a revision in geographic scope to include the subtrade between California and the Pacific Coast of Mexico and Central and South America and for certain other matters;

The parties agree as follows:

- I. Original Page No. 4 of the Agreement is hereby amended by substituting 1st Revised Page No. 4 and adding Original Page No. 4 (a).
- II. Original Page No. 5 is hereby amended by substituting 1st Revised Page No. 5.
- III. 1st Revised Page No. 6 is hereby amended by substituting 2nd Revised Page No. 6 and adding Original Page No. 6 (a).
- IV. Original Page No. 7 is hereby amended by substituting 1st Revised Page No. 7.
- V. This Amendment No. 3 shall be filed with the Federal Maritime Commission and shall become effective pursuant to the Shipping Act of 1984.

AMERICAN PRESIDENT LINES, LTD.

By: \_\_\_\_\_  
John C. Burgess  
Title: Executive Vice President

TRANSPORTACION MARITIMA  
MEXICANA, S.A. DE C.V.

By: Wade S. Hooker, Jr.  
Title: Attorney-in-Fact

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AMERICAN PRESIDENT LINES, LTD.

By: 

John G. Burgess

Title: Executive Vice President

TRANSPORTACION MARITIMA  
MEXICANA, S.A. DE C.V.

By: \_\_\_\_\_

Title: \_\_\_\_\_

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2. TRANSPORTACION MARITIMA MEXICANA, S.A. DE C.V.  
Av. de la Cuspide No. 4755 - 10th Floor  
Col. Parques del Pedregal  
Deleg. Tlalpan  
14010 Mexico, D. F. Mexico

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The Agreement covers the trades and various subtrades between ports and points in the Far East, the Indian Subcontinent and the Middle East, and ports in the states of California and Washington in the United States and interior and coastal points in the United States via such U.S. ports (~~collectively, the "Trade"~~). The "Far East, Indian Subcontinent and Middle East" is defined to include Japan, Siberia, Korea, People's Republic of China, Taiwan, Hong Kong, Macao, Thailand, Democratic Kampuchea (Cambodia), Vietnam, Singapore, Malaysia, Laos, Burma, Brunei, Philippines, Sri Lanka, Indonesia, Australia, New Zealand, India, Pakistan, Bangladesh, the United Arab Emirates, and Saudi Arabia. "United States" means the several states thereof, its commonwealths, territories and possessions.

The Agreement also covers trades and the subtrades between ports in California and points in the United States via such ports on the one hand and ports and points in Mexico, Central America and South America.

All such trades and subtrades shall be referred to collectively as the "Trade."

ARTICLE 5: AGREEMENT AUTHORITY

~~5. (a) Limited Grant. Notwithstanding any other provision of this Agreement, APL shall not be authorized by this Agreement to charter space to TMM in its individual services, if any, between the continental United States and Hawaii; between~~

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~~the United States (including Hawaii) and Guam and between any other ports or points in the U.S. domestic trade. Nor shall this Agreement be construed as granting a right to TMM to carry aboard APL vessels cargoes shipped from, to, or on behalf of, any U.S. government agency which shipments are subject to cargo preference laws requiring transportation aboard vessels documented under the laws of the United States. TMM shall not slot charter or sub-charter any of the space on APL vessels granted to TMM pursuant to this Agreement to any other ocean common carrier or non-vessel operating common carrier without the prior written consent of APL, provided however, that TMM may enter into bills of lading for the transportation of shipments of non-vessel operating common carriers pursuant to TMM tariffs on file with the Federal Maritime Commission.~~

5. (a) Space Charter. ~~The Parties may discuss and agree upon the terms and conditions pursuant to which APL may charter space - to TMM in the Trade on APL vessels sailing from or to ports in the State of California and Washington, and on the vessels of third-party carriers on which vessels APL has chartered space to and from such ports.~~ The Parties may charter space between themselves in the Trade, either directly, through affiliates or through a jointly-owned company operating vessels in the Trade. The parties may from time to time agree on the number of containers or amount of space to be chartered, and the rates, charges or other compensation to be paid or otherwise exchanged for said transportation, and other terms and conditions of any charter hereunder.



~~the United States (including Hawaii) and Guam; and between any other ports or points in the U.S. domestic trade. Nor shall this Agreement be construed as granting a right to TMM to carry aboard APL vessels cargoes shipped from, to, or on behalf of, any U.S. government agency which shipments are subject to cargo preference laws requiring transportation aboard vessels documented under the laws of the United States. TMM shall not slot charter or sub-charter any of the space on APL vessels granted to TMM pursuant to this Agreement to any other ocean common carrier or non-vessel operating common carrier without the prior written consent of APL; provided however, that TMM may enter into bills of lading for the transportation of shipments of non-vessel operating common carriers pursuant to TMM tariffs on file with the Federal Maritime Commission.~~

5. (a) Space Charter. ~~The Parties may discuss and agree upon the terms and conditions pursuant to which APL may charter space to TMM in the Trade on APL vessels sailing from or to ports in the State of California and Washington, and on the vessels of third party carriers on which vessels APL has chartered space to and from such ports.~~ The Parties may charter space between themselves in the Trade, either directly or through affiliates or jointly-owned companies, including chartering which is incidental to a joint space charter arrangement in foreign-to-foreign trades.

The parties may from time to time agree on the number of containers or amount of space to be so chartered, ~~and the rates, charges or other compensation to be paid or otherwise exchanged for said transportation; and other terms and conditions of any charter hereunder.~~

5. (b) ~~TMM Withdrawal.~~ The Parties may discuss and agree upon the withdrawal, in whole or in part, and on a temporary or seasonal basis, of TMM vessel calls at U.S. Pacific Coast ports in TMM's services between ports in Asia and Mexico and U.S. Pacific Coast ports. With respect to any TMM vessel calls to U.S. Pacific Coast ports from time to time, the Parties may discuss and agree upon the compensation, schedule, terms and conditions of carriage of containerized cargo and empty APL containers aboard TMM vessels. Space Allocation. The Parties may discuss and agree to allocate among themselves, or exclusively to one of them, any trade or subtrade of the Trade or any space chartered hereunder. The Parties may also discuss and agree on the terms under which a Party shall be compensated for any expenses or damages incurred by it in reliance on the other Party's undertaking with respect to any such allocation, including, but not limited to, costs incurred by the damaged Party in connection with space sub-chartered in the Trade or any other U.S. or foreign-to-foreign trade and withdrawn by a third party supplier.

5. (c) Feeders. The Parties may discuss and agree upon any and all aspects of feeder operations ~~in the Far East~~ in connection with and ancillary to their services in the Trade, including, without limitation, the deployment and utilization of feeder vessels, feeder vessel sailing schedules, service frequency, ports to be serviced, port rotation, the number, type and capacity of feeder



vessels, the terms and conditions under which the Parties shall share the capacity of feeder vessels, and the terms and conditions of addition or withdrawal of feeder vessel capacity.

5. (e) Equipment Interchange and Services. The Parties may interchange empty containers, chassis related equipment to provide for the efficient use of such equipment on such terms as they may agree. The Parties may also jointly contract with or coordinate in contracting with stevedores, terminals, ports, and suppliers of equipment, land or services or may designate the other to provide such services on the designating Party's behalf.

5. (f) No Joint Service. The space chartering contemplated hereby and the cooperative use of equipment, terminals, stevedores, ports, and suppliers to the extent provided hereunder do not create a joint service or permit the Parties to

pool cargo or revenue in the Trade except as may be permitted under agreements to which the Parties may subscribe from time to time which agreements are filed with the FMC and effective pursuant to the Shipping Act of 1984. ~~Each party shall utilize and maintain its own marketing and sales organizations. TMM shall issue its own bills of lading for cargo moving on APL vessels. No joint marketing or sales activity in the Trade is to be conducted by the Parties.~~

5. (g) Pricing. The Parties shall discuss and may agree on a common position as to their conference /non-conference status in the Trade. The Parties may, on a voluntary basis and subject to the terms and conditions of any conference, rate, discussion or other agreement to which either may subscribe from time to time, discuss and agree upon any rates, rules, service items, or other terms and conditions of service contracts or tariffs maintained or contemplated by either Party or by a conference in their behalf in their respective services offered in the Trade.
5. (h) Systems. The Parties may discuss and agree on terms and conditions of joint development, implementation, and interchange of documentation, data systems, information and data, other operating systems, and computerization and joint communication, including any joint negotiations, leasing or contracting relating thereto.
5. (i) Administrative Matters. The Parties may also discuss and agree upon such general administrative matters and other terms and conditions concerning the implementation of this Agreement as may be necessary or convenient from

amendment of the Agreement pursuant to the Shipping Act of 1984 and subject to the approval of Mar.Ad, if required.

#### ARTICLE 8: VOTING

All actions taken pursuant to this Agreement shall require mutual agreement of the Parties.

#### ARTICLE 9: DURATION AND TERMINATION OF AGREEMENT

(a) Effective Date and Term

This Agreement shall take effect as of the date the Agreement may become effective pursuant to the Shipping Act of 1984 and shall continue ~~for a period of three (3) years. Upon the expiration of such three year period, this Agreement shall continue in effect~~ in effect unless or until this Agreement is terminated upon not less than ~~three (3) months~~ a one year prior written notice; provided that no such notice may be given before August 30, 1998.

(b) Termination

(1) A Party may, as hereinafter provided, withdraw from this Agreement in the event that, after consultation as required hereinafter, the Parties are unable to agree from time to time upon rate policies or actions reflected in the publication of tariff rates and service items in the Trade.